FORESTRY INNOVATION INVESTMENT LTD

STATEMENTS OF FINANCIAL INFORMATION

FISCAL YEAR MARCH 31, 2014

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Forestry Innovation Investment Ltd.

Statement of Financial Information Approval

FIR,Schedule 1,section 9

The undersigned represents the Board of Directors of Forestry Innovation Investment Ltd.
and approves all the statements and schedules included in this Statement of Financial Information,
produced under the Financial Information Act.

Tim Sheldan
Board Chair
Date: October 2, 2014

Management's Responsibility for Financial Statements

Scope of Responsibility

Management has supervised preparation of the accompanying consolidated financial statements and related note disclosures and is responsible for their integrity and objectivity. The consolidated financial statements of Forestry Innovation Investment Ltd. (FII) have been prepared by management in accordance with the financial reporting provisions prescribed by the Province of British Columbia pursuant to Section 23.1 of the Budget Transparency and Accountability Act (see Note 2(a).

We believe that these consolidated financial statements present fairly FII's financial position as at March 31, 2014 and the consolidated statement of operations, change in net assets, and cash flow for the year ending March 31, 2014 and that the other information contained in the Company's annual report is consistent with the consolidated financial statements as presented.

Internal Controls

Management is responsible for the integrity of the financial statements and has established systems of internal controls to provide reasonable assurance that transactions are properly authorized, assets are safeguarded, and financial records are properly maintained to facilitate the preparation of the financial statements in a timely manner. We continually monitor these internal accounting controls, modifying and improving them as business conditions and operations change. We believe our system of internal accounting controls provide reasonable assurance that errors or irregularities that would be material to the consolidated financial statements are prevented or detected in the normal course of business.

Board of Directors and Audit Committee

The Board of Directors is responsible for reviewing and approving the consolidated financial statements and overseeing management's discharge of its financial reporting responsibilities. An Audit Committee is appointed by the Board. The Audit Committee reviews the consolidated financial statements, adequacy of internal controls, audit process and financial reporting with management and with the external auditors. The Audit Committee has reviewed these consolidated statements prior to recommending approval by the Board of Directors. The Board of Directors has reviewed and approved the financial statements.

Independent Auditors

Grant Thornton has performed an independent audit of the consolidated financial statements of Forestry Innovation Investment Ltd. The Auditor's Report, as attached, outlines the scope of this independent audit and expresses an opinion on the financial statements of Forestry Innovation Investment Ltd.

Ken Baker
Chief Executive Officer

Douglas Greig
Vice President, Finance and Administration

Vancouver, British Columbia
June 3, 2014

Grant Thornton

Independent Auditor's Report

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To the Board of Directors of
Forestry Innovation Investment Ltd.

To the Minister of International Trade,
Province of British Columbia

We have audited the accompanying consolidated financial statements of Forestry Innovation Investment Ltd., which comprise the consolidated statement of financial position as at March 31, 2014, the consolidated statements of operations and accumulated surplus, changes in net financial assets, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation of these consolidated financial statements in accordance with the accounting requirements of Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

Grant Thornton

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements of Forestry Innovation Investment Ltd. for the year ended March 31, 2014, are prepared, in all material respects, in accordance with Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia.

Emphasis of matter

Without modifying our opinion we draw attention to Note 2 to the consolidated financial statements, which describes the basis of accounting and the significant differences between such basis of accounting and Canadian public sector accounting standards.

Grant Thornton LLP

Vancouver, Canada
June 3, 2014

Chartered Accountants

Forestry Innovation Investment Ltd.
Consolidated Statement of Financial Position

(in thousands of dollars)

March 31	Note	2014	2013
Financial assets			
Cash		$ 2,532	$ 885
Accounts receivable		248	651
Recipient advances	3	-	329
Due from Province of British Columbia		21	158
Due from other governments		214	568
Total financial assets		3,015	2,591
Liabilities			
Accounts payable and accrued liabilities	4	1,198	1,335
Recipient payables	3	237	-
Deferred contributions	6	665	562
Total liabilities		2,100	1,897
Net financial assets		915	694
Non-financial assets			
Tangible capital assets	7	730	690
Prepaid expenses		572	440
Total non-financial assets		1,302	1,130
Accumulated surplus		$ 2,217	$ 1,824

Commitments (Note 8)

Approved by the Board

Director

Director

See accompanying notes to the consolidated financial statements.

Forestry Innovation Investment Ltd.
Consolidated Statement of Operations and Accumulated Surplus

(in thousands of dollars)
Year ended March 31

	Note	Budget	2014	2013
Revenue	10			
Government contributions				
Provincial		$ 17,300	$ **17,306**	$ 17,208
Federal		600	**731**	624
Other revenue		-	**678**	1,042
		17,900	**18,715**	18,874
Expenses	10			
Funding recipient initiatives		8,900	**9,140**	9,578
Market initiatives and outreach				
FII Vancouver		3,500	**3,761**	3,885
FII China		2,600	**2,708**	2,536
FII India		1,600	**1,532**	873
Corporate services		1,300	**1,181**	1,348
		17,900	**18,322**	18,220
Annual surplus		-	**393**	654
Accumulated surplus, beginning of year		1,824	**1,824**	1,170
Accumulated surplus, end of year		$ 1,824	$ **2,217**	$ 1,824

See accompanying notes to the consolidated financial statements.

Forestry Innovation Investment Ltd.
Consolidated Statement of Changes in Net Financial Assets

(in thousands of dollars)

Year ended March 31	Budget	2014	2013
Annual surplus	$ -	$ 393	$ 654
Acquisition of tangible capital assets	(230)	(238)	(526)
Amortization of tangible capital assets	200	198	128
Acquisition of prepaid expenses	-	(132)	(80)
(Decrease) increase in net financial assets	(30)	221	176
Net financial assets, beginning of year	694	694	518
Net financial assets, end of year	$ 664	$ 915	$ 694

See accompanying notes to the consolidated financial statements.

Forestry Innovation Investment Ltd.
Consolidated Statement of Cash Flows

(in thousands of dollars)

Year ended March 31	2014	2013
Cash provided by (used in):		
Operating		
Annual surplus	$ 393	$ 654
Items not involving cash		
Amortization of tangible capital assets	198	128
Amortization of deferred contributions	(127)	(186)
Change in accounts receivable	894	(1,214)
Change in recipient advances and payables	566	138
Change in accounts payable and accrued liabilities	(137)	3
Change in future employee benefit	-	(171)
Change in prepaid expenses	(132)	(80)
	1,655	(728)
Capital		
Acquisition of tangible capital assets	(238)	(526)
Financing		
Repayment to Province of British Columbia	-	(280)
Receipt of deferred contributions	230	562
	230	282
Net increase (decrease) in cash	1,647	(972)
Cash, beginning of year	885	1,857
Cash, end of year	$ 2,532	$ 885

See accompanying notes to the consolidated financial statements.

1. General

Forestry Innovation Investment Ltd. (the "Company" or "FII Vancouver") was incorporated on March 31, 2003 under the laws of the Province of British Columbia (the "Province"). The Company has authorized capital of 100 common shares without par value of which 10 shares are issued and outstanding. Her Majesty the Queen in Right of the Province of British Columbia, as represented by the Minister of International Trade, holds the shares issued. A board of directors governs the Company, and all directors are appointed by the Province. The Company's principal activities are to fund forest industry associations and research institutions and to deliver market development and market initiatives and outreach programs.

2. Summary of significant accounting policies

(a) Basis of presentation

These consolidated financial statements have been prepared in accordance with Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia which requires accounting policies which are consistent with Canadian public sector accounting standards except in regard to the accounting for restricted capital contributions.

Under Section 23.1 of the Budget Transparency and Accountability Act and its related regulations, the Company is required to recognize restricted capital contributions as a liability and recognize them into revenue on the same basis as the related amortization expense.

Under Canadian public sector accounting standards, those transfers with stipulations that have been met or that do not contain stipulations that create a liability, are fully recognized into revenue.

The impact of this difference on the consolidated financial statements of the Company would be a decrease in deferred capital contributions as at March 31, 2014, and increases in revenues and annual surplus for the year then ended.

(b) Reporting entity and basis of consolidation

These consolidated financial statements reflect the assets, liabilities, revenues and expenses of the reporting entity. The reporting entity is comprised of the Company consolidated with FII Consulting (Shanghai) Co., Ltd. ("FII China"), a wholly-owned subsidiary registered under the laws of the People's Republic of China, and Forestry Innovation Consulting India Pvt. Ltd. ("FII India"), a wholly-owned subsidiary registered under the laws of the Republic of India.

FII China is based in Shanghai, China, and FII India is based in Mumbai, India with both subsidiaries delivering market development programs on behalf of the Company. The subsidiaries are consolidated on a line-by-line basis after inter-organizational transactions and balances between these entities have been eliminated.

2. Summary of significant accounting policies (continued)

(c) Revenue recognition

Unrestricted contributions, donations and grants are recorded as revenue when receivable if the amounts can be reasonably estimated and collection is reasonably assured.

Restricted contributions include amounts received from the Province and the Canadian Federal Government for specific purposes. Restricted contributions are recorded as deferred contributions when received or receivable. The deferred contribution and associated revenue are recognized based upon the nature of the restriction, as follows:

(i) Restricted capital contributions

Capital contributions for the purpose of acquiring or developing a depreciable tangible capital asset are recorded and referred to as deferred capital contributions. Deferred capital contributions are reduced and the associated revenue recognized at the same rate and in the same fiscal period that amortization is recognized in respect of acquired depreciable tangible capital asset used to provide services. To date, there has been $115 in restricted capital funding for asset purchases that has been recorded as revenue with respect to restricted capital contributions.

(ii) Other restricted contributions

Deferred contributions are reduced and the associated revenue recognized in the period during which the stipulation or restriction on the contribution have been met.

Investment income includes interest recorded on an accrual basis.

(d) Program expenses

Program expenses include amounts transferred to recipient organizations based on recipient funding contracts to carry out specific program activities. Amounts transferred are recognized as expenses in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met by the recipient, and reasonable estimates of the amounts can be made.

(e) Pension plans

The Company and its employees contribute to the Public Service Pension Plan, which is a multi-employer jointly trusteed plan. The plan is a defined benefit plan, providing pension on retirement based on the member's age at retirement, length of service and highest earnings averaged over five years. As the assets and liabilities of the plan are not segregated by employer, the plan is accounted for as a defined contribution plan and any Company contributions to the plan are expensed as incurred.

(f) Cash and cash equivalents

Cash and cash equivalents include cash and highly liquid securities with original terms to maturity of three months or less from the date of acquisition.

2. Summary of significant accounting policies (continued)

(g) Financial instruments

Financial instruments consist of cash, accounts receivable, recipient advances, amounts due from the Province, amounts due from other governments, accounts payable and accrued liabilities, and recipient payables.

The Company measures its financial instruments at cost or amortized cost.

For financial instruments measured at cost or amortized cost, transaction costs are added to the cost of the financial instruments.

Unrealized gains and losses from changes in the fair value of financial instruments, if any, are recognized in the consolidated statement of remeasurement gains and losses until such time that the related financial instrument is derecognized due to disposal or impairment. At the time of derecognition, the related realized gains and losses are recognized in the consolidated statement of operations and accumulated surplus and the related balances are reversed from the consolidated statement of remeasurement gains and losses.

Interest and dividends attributable to financial instruments are reported in the consolidated statement of operations.

All financial assets are tested annually for impairment. When financial assets are impaired, impairment losses are recorded in the consolidated statement of operations.

There are no financial instruments measured at fair value; therefore, the consolidated financial statements do not include a consolidated statement of remeasurement gains and losses.

(h) Non-financial assets

(i) Tangible capital assets

Tangible capital assets are recorded at cost, which includes all amounts that are directly attributable to the acquisition, construction, development or betterment of the asset. Cost, less residual value, of the tangible capital assets is amortized on a straight-line basis over their estimated useful lives as follows:

Asset	Useful life
Computer equipment	3 years
Computer software	2 years
Furniture and equipment	5 years
Leasehold improvements	lesser of the lease term and its useful life
Tradeshow booths	3 years

Assets under construction are not amortized until the asset is available for productive use.

2. Summary of significant accounting policies (continued)

(h) Non-financial assets (continued)

(ii) Contributions of tangible capital assets

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt.

(iii) Interest capitalization

The Company does not capitalize interest costs associated with the acquisition or construction of tangible capital assets.

(iv) Intangible assets

Intangible assets are not recognized in these consolidated financial statements.

(i) Foreign currency translation

These consolidated financial statements are stated in Canadian dollars. The Company's foreign operations, conducted through FII China and FII India, are considered financially interdependent with the Company, and are translated from Chinese Renminbi (RMB) and Indian Rupee (INR) using the temporal method of translation. Accordingly, monetary assets and liabilities are translated at the spot exchange rates in effect at the date of the statement of financial position; non-monetary items are translated at historical exchange rates in effect on the dates of the transactions. Revenue and expense items are translated at monthly average exchange rates in effect during the month in which the transaction occurred, except for amortization which is translated at the historical exchange rate of the corresponding non-monetary item. Realized exchange gains and losses are included in the consolidated statement of operations.

(j) Budget

Budget data presented in these consolidated financial statements are based on the Company's Service Plans. The budget was approved by the Board of Directors on April 22, 2013.

(k) Use of estimates

The preparation of these consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenue and expenses during the year. Significant items subject to such estimates and assumptions include the allowance for recipient advances and useful lives of property and equipment. Actual results could differ from those estimates.

2. Summary of significant accounting policies (continued)

(l) Segment disclosures

A segment is defined as a distinguishable activity or group of activities of a government for which is it is appropriate to separately report financial information. The Company has provided definitions of segments used by the Company as well as presented financial information of the segments in Note 10.

(m) Comparative figures

Certain of the prior year's comparative figures have been reclassified to conform with the current year's presentation.

3. Recipient advances and payables

Recipient funding contracts stipulate that unspent advances are repaid to the Company. Historically, unspent advances have been repaid to the Company prior to the end of the first quarter of the new fiscal year after final reconciliation reports have been submitted and final audits have been completed.

Beginning in fiscal 2013/2014, the Company changed the policy on recipient funding withholding a percentage of earnable administration costs from their interim advances. Recipients would qualify for this final funding amount withheld based on meeting eligible reporting criteria in the recipient reporting process.

As at March 31, 2014, the Company has identified $237 as payable to the recipient organizations (2013: $329 as receivable from the recipient organizations).

4. Accounts payable and accrued liabilities	**2014**	2013
Trade payables	$ **329**	$ 570
Accrued liabilities	**869**	765
	$ **1,198**	$ 1,335

5. Pension plans

The Company and its employees contribute to the Public Service Pension Plan, which is a multi-employer jointly trusteed plan. The plan is a defined benefit plan, providing pension on retirement based on the member's age of retirement, length of service and highest earnings averaged over five years. The board of trustees of the plan represents plan members and employers and is responsible for the management of the plan including investment of the assets and administration of the plan.

The most recent actuarial valuation for the Public Service Pension Plan as at March 31, 2011 indicated a $226 million funding deficit for basic pension benefits. The next valuation will be as at March 31, 2014, with results available in 2015.

The plan is accounted for as a defined contribution plan. During the year ended March 31, 2014, the Company paid $28 (2013: $Nil) for employer contributions to the plan.

6. Deferred contributions

Deferred contributions consist of contributions received from the Province for tangible capital assets and advances on federal contracts with goods and services still outstanding. Deferred contributions are comprised of the following:

	Provincial	Government of Canada	2014	2013
Balance, beginning of year	$ 550	$ 12	$ 562	$ 186
Contributions received during the year	230	-	230	562
Amounts amortized to revenue	(115)	(12)	(127)	(186)
Balance, end of year	$ 665	$ -	$ 665	$ 562

Included in Provincial deferred contributions is $20 (2013: $Nil) that is unspent.

7. Tangible capital assets

(a) Assets in use

Cost

	2013	Additions	Disposals	2014
Computer equipment	$ 660	$ 45	$ (1)	$ 704
Computer software	61	2	-	63
Furniture and equipment	273	49	-	322
Leasehold improvements	657	101	-	758
Tradeshow booths	481	41	-	522
	$ 2,132	$ 238	$ (1)	$ 2,369

Accumulated amortization

	2013	Disposals	Amortization	2014
Computer equipment	$ 515	$ (1)	$ 64	$ 578
Computer software	57	-	6	63
Furniture and equipment	225	-	22	247
Leasehold improvements	220	-	74	294
Tradeshow booths	425	-	32	457
	$ 1,442	$ (1)	$ 198	$ 1,639

Net book value

	2013	2014
Computer equipment	$ 145	$ 126
Computer software	4	-
Furniture and equipment	48	75
Leasehold improvements	437	464
Tradeshow booths	56	65
	$ 690	$ 730

(b) Assets under construction

As at March 31, 2014, there were tangible capital assets under construction or development of $Nil (2013: $428) resulting from the setup of the new FII India subsidiary.

(c) Assets disclosed at nominal values

The cost of tangible capital assets includes the fair market value of certain assets transferred to the Company from the Province effective April 1, 2003, for one dollar. These assets are now fully amortized.

8. Commitments

(a) The Company has lease commitments for its premises it occupies.

2015	$ 1,189
2016	813
2017	95
2018	-
2019	-
Thereafter	-
	$ 2,097

(b) The Company also has an obligation to pay $447 (2013: $434) for contracts entered into, and not yet completed at March 31, 2014.

9. Financial instruments risk management

The Company has exposure to the following risks from its use of financial instruments:

Credit risk
Credit risk is the risk that the Company's counterparties default or become insolvent.

The Company is potentially exposed to credit risk through cash, accounts receivable, recipient advances, amounts due from the Province, and amounts due from other governments. Cash is maintained with financial institutions of reputable credit and may be redeemed upon demand. Accounts receivable consist mainly of federal cost share agreements which are monitored on a regular basis. Recipient advances are made three times through the year to reputable recipients, and Company staff monitors the status of such advances on a continuing basis. Amounts due from the Province and amounts due from other governments consist of reimbursement claims. It is the Company's opinion that its exposure to credit risk is subject to normal industry risks and is considered minimal.

As at March 31, 2014, accounts receivable, amounts due from the Province, and amounts due from other governments are comprised of:

	Under 90 days	Over 90 days	Total
Accounts receivable	$ 248	$ -	$ 248
Due from Province of British Columbia	21	-	21
Due from other governments	214	-	214
Allowance for doubtful accounts	-	-	-
	$ 483	$ -	$ 483

9. Financial instruments risk management (continued)

Liquidity risk
Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due.

The Company manages its exposure to liquidity risk by maintaining sufficient cash balances throughout the year to meet its short-term obligations. It is the Company's opinion that its exposure to liquidity risk is subject to normal industry risks and is considered minimal.

Market risk
Market risk is the risk that fluctuations in market prices will affect the Company's net financial assets. Market risk comprises three types of risk:

Currency risk and foreign denominated cash
Currency risk is the risk that fluctuations in foreign currencies will affect the Company's net financial assets denominated in foreign currencies.

The Company is subject to foreign exchange risk through its program payables and program advances and a portion of the Company's program and tradeshow costs, which are denominated in Chinese Renminbi, Indian Rupee, United States Dollars and other foreign currencies. The Company manages its exposure to currency risk by monitoring its assets and liabilities denominated in foreign currencies and purchasing foreign denominated currency to pay upcoming commitments when the market conditions are favourable. The Company does not use derivatives instruments to reduce its exposure to foreign currency risk.

As at March 31, 2014 foreign denominated cash included $305 (2013: $214) denominated in RMB, $208 (2013: $187) denominated in INR, and $940 (2013: $3) denominated in USD.

Interest rate risk
Interest rate risk is the risk that fluctuations in interest rates will affect the Company's net financial assets that bear interest at variable rates.

The Company manages its exposure to interest rate risk by investing in interest bearing cash accounts.

10. Segmented information

Segmented information has been identified based upon programs provided by the Company. Company programs and their activities are reported by functional area in the body of the consolidated financial statements. Programs that have been separately disclosed in the segmented information, along with the services they provide, are as follows:

(a) Funding Recipient Initiatives

Uses project funding delivered through an annual "Call for Proposals" in partnership with the Government of Canada to fund forest industry associations and research institutions, to:

- maintain and create opportunities for B.C. wood products in existing and emerging markets;
- ensure that customers, consumers, designers, builders, developers and architects know about B.C. wood products and the many positive features they bring to wood-frame construction and interior finishing;
- support the development of innovative new forest products; and
- provide interested parties around the world with information on the properties and qualities of B.C.'s forest products and the B.C. companies that supply them.

(b) Market Initiatives and Outreach Program

(i) FII Vancouver Initiatives

Internally directs delivered programs that:

- identify potential opportunities for B.C. forest products through market research and develop market access strategies;
- ensure B.C. forest products have access to markets free from regulatory and other barriers through initiatives and research; and
- provide customers and foreign regulators with facts about the environmental merits of B.C. forest products, including the sustainable forest management regime that underlies their production.

(ii) FII China Initiatives

FII China has a mandate to increase the volume and value of B.C. lumber exports to China by expanding the share of wood frame construction in China's building sector. FII China focuses on the following activities:

- Expanding and strengthening relationships with central and regional government agencies responsible for building and construction in China, and with large state-owned developers, emphasizing the pursuit of strategic and joint initiatives;
- Building partnerships with established market leaders in China's development sector and supporting these companies in areas of concept development, planning and design, code application, and resource integration; and
- Working closely with Canadian forest industry trade association staff to expand China's technical capacity to deploy wood frame construction.

10. Segmented information (continued)

(b) Market Initiatives and Outreach Program (continued)

(iii) FII India Initiatives

FII India has a mandate to establish a local presence in India for B.C. and Canadian forest products companies; develop working relationships with government officials, regulatory agencies, and the wood user community; and position B.C. and Canadian forest products for future growth. The operation focuses on early-market (pre-commercial) development activities, including:

- Supporting development of the market for B.C. and Canadian forest products through market research;
- Promoting B.C. and Canadian wood species in various end-uses;
- Educating the market place on B.C. and Canadian wood species and their proper use;
- Providing intermediation with Indian regulatory authorities; and
- Providing direct support for B.C. companies entering the India market

(c) Corporate services

Corporate services performs the following activities

- Ensures financial reporting to government standards;
- Provides Human Resource, IT and office services to meet organizational needs;
- Oversees budget and planning controls in alignment with strategic objectives; and
- Provides corporate communication and analytical services to meet internal and external needs.

10. Segmented information (continued)

	Recipient Funding Initiatives	Market Initiatives and Outreach			Corporate Services	2014 Total	2013 Total
		FII Vancouver	FII China	FII India			
Revenues							
Government contributions							
Provincial	$ 8,900	$ 3,500	$ 2,602	$ 1,075	$ 1,229	**$ 17,306**	$ 17,208
Federal	47	72	12	600	-	**731**	624
Other revenue	-	640	-	-	-	**640**	1,004
Investment income	-	-	-	-	38	**38**	38
Total revenues	8,947	4,212	2,614	1,675	1,267	**18,715**	18,874
Expenses							
Amortization	-	-	39	75	84	**198**	128
Auditing	72	-	33	13	38	**156**	125
Grants	799	-	-	55	-	**854**	751
Office costs	-	261	432	300	144	**1,137**	748
Professional services	123	1,783	758	341	214	**3,219**	2,067
Program costs	7,846	503	150	141	(8)	**8,632**	10,560
Salaries, wages and benefits	300	1,089	995	343	631	**3,358**	3,161
Trade missions	-	9	26	42	-	**77**	18
Travel and business costs	-	116	275	222	78	**691**	662
Total expenses	9,140	3,761	2,708	1,532	1,181	**18,322**	18,220
Annual (deficit) surplus	$ (193)	$ 451	$ (94)	$ 143	$ 86	**$ 393**	$ 654

Forestry Innovation Investment Ltd.

Various Sections

FIR, Schedule 1, section 2

Statement of Assets & Liabilities

Information on all Assets & Liabilities is available in the Consolidated Statement of Financial Position and Statement of Changes in Net Financial Assets (Debt) of the Consolidated Financial Statements.

FIR, Schedule 1, section 3

Operational Statement

Information on the Operational Statement is available in the Consolidated Statement of Operations and Accumulated Surplus of the Consolidated Financial Statements.

FIR, Schedule 1, section 4

Schedule of Debts

There are no outstanding Capital Leases for this organization for the fiscal year 2013/2014

Forestry Innovation Investment Ltd.

Schedule of Guarantee and Indemnity Agreements

FIR, Schedule 1, section 5

Information on all guarantees and indemnities for this organization is included in Note 8 of the consolidated financial statements.

Forestry Innovation Investment Ltd.

Schedule Showing The Remuneration and Expenses Paid To Or On Behalf Of Each Employee

FIR, Schedule 1, section 6

1 Members of the Board of Directors

Name	Position	Remuneration [1]	Expenses [1]
Sheldan, T	Chair	-	-
Baskerville, S	Vice Chair	-	-
Carroll, S	Director	-	-
Peterson, D	Director	-	-
Total		-	-

2 Other Employees

Name	Remuneration [2]	Expenses [3]
Baker, K	$ 197,681	$ 44,542
Bengali, Z	48,577	26,701
Bridgman, L	104,936	22,013
Diebold, C	71,485	10,286
Dou, Lisa	187,110	37,447
Florin, B	89,519	6,612
Greig, D	162,748	26,521
Huang, F	144,814	14,004
Kuan, S	122,139	19,363
Lee, H	86,608	6,767
Lim, N	113,332	12,633
Liu, Guoli	85,261	31,189
Loseth, M	168,094	91,631
Patterson, D	95,510	7,891
Regan, K	123,255	3,289
Robertson, K	76,580	299
Sanderson, P	125,275	16,919
Singh, K	66,269	14,981
Smith, G	104,902	9,822
Xie, Nancy	97,234	34,702
Zeitler-Fletcher, S	122,147	8,297
Zhuang, B	125,506	48,001
Consolidated total of other employees with remuneration and expenses of $75,000 or less	463,089	87,865
Total: Other Employees	$ 2,982,071	$ 581,772

3 Reconciliation

Total remuneration-board of directors	$	-
Total remuneration - other employees		2,982,071
Total benefits and other overhead charges [4]		38,018
Total	$	3,020,089
Total per segmented note disclosure 10 of the Consolidated Financial Statements		3,358,705
Variance [5]	$	(338,616)

Notes:

[1] There was no remuneration paid to or expenses reimbursed by Forestry Innovation Investment Ltd. to its board members

[2] Remuneration includes any form of salary, wages, vacation payout, severance and taxable benefits (includes RRSP contributions)

[3] Expenses include travel expenses, memberships, tuition, and similar amounts paid directly to or on behalf of an employee

[4] Includes accruals, PD, and other overhead charges

[5] Variance from financial reporting reflects contractor payments and company portion of contributions to EI, CPP, registered pension plan and health plans recorded in the Schedule of Goods and Services rather than the Schedule of Remuneration and Expenses

Forestry Innovation Investment Ltd.

Statement of Severance Agreements

FIR, Schedule 1, subsection 6 (7)

There were no severance agreements under which payment commenced between Forestry Innovation Investment Ltd. or its subsiduaries and its non-unionized employees during fiscal year 2013/2014.

Forestry Innovation Investment Ltd.

Schedule Showing Payments Made For the Provision of Goods or Services

FIR, Schedule 1, section 7

1 Alphabetical list of suppliers who received aggregate payments exceeding $25,000

Supplier Name	Aggregate Amount paid to Supplier
659500 British Columbia Ltd.	$ 53,940
6S Marketing Inc.	41,025
American Institute of Architects	50,282
ANJ Turnkey Projects Pvt. Ltd	47,561
APA-The Engineered Wood Association.	76,500
Ashok Tower	42,595
Athena Sustainable Materials Institute	28,675
B F Wadia & Sons	26,633
BC Wood Specialties Group	1,126,389
Beijing Zhong Shi Lan Hai Planning Co., Ltd	43,020
Bentall Kennedy (Canada) Ltd. Partnership	253,684
Bond Repro	27,287
Brian Leslie	183,025
Brudder Productions Inc.	52,956
Canada Wood Group	3,190,456
Canadian Wood Council	753,400
Chreod Ltd.	35,270
Coast Forest Products Association.	125,596
Cortex Consultants Inc.	48,303
Council of Forest Industries	356,031
Daniel J. Edelman Inc.	365,065
Davies & Co.	225,912
FII China	197,344
FII India	115,398
Fleishman-Hillard Canada	64,896
Forest Products Association of Canada	80,000
FPInnovations	553,465
Grant Thornton LLP	77,212
Great West Life	87,826
Imperial Palace Construction	160,762
Insite Management Ltd.	186,378
Ken Heit Creative	233,242
Lamarion Car Rental	35,480
Lois Looman	98,999
Minister of Finance	29,638
MSC Marketing Solutions Consulting Ltd.	132,538
Netscribe Communications Inc.	32,810
Performance Management Network	27,579
Perkins + Will	158,660
PricewaterhouseCoopers LLP	67,200
Public Service Pension Plan	28,448
Raymond Lu	58,548
Reed Kelterborn	44,483
Revenue Canada	68,130
Shanghai Jin Long Construction	164,836
Shanghai JinQiao Export Processing Zone Joint Development Co.,Ltd.	271,558

Supplier Name	Aggregate Amount paid to Supplier
Shanghai KaiCheng Property Management Co.,Ltd.	47,805
Shanghai QiJian Architectural Design Co.,Ltd.	56,113
Shenzhen Power Talents Information Co.,Ltd.	26,982
Shree Naman Builders Pvt Ltd	170,036
Tara Pratt	36,080
The Hub-Indiabulls	36,343
The University of British Columbia	293,491
The University of New Brunswick	62,961
TP Systems Ltd.	95,139
USGBC	36,690
Western Red Cedar Lumber Association	687,118
Wood Products Council	633,943
Workman Consulting	25,785
Total aggregate amount paid to suppliers	**12,337,525**

2	**Consolidated total paid to suppliers who received aggregate payments of $25,000 or less**	**$ 1,623,664**
3	**Consolidated total of all grants and contributions exceeding $25,000** [2]	**$ 798,500**

4 **Reconciliation**

Total of aggregate payments exceeding $25,000 paid to suppliers	$ 12,337,525
Consolidated total of payments of $25,000 or less paid to suppliers	1,623,664
Consolidated total of all grants and contributions exceeding $25,000	798,500
Employee remuneration and expenses [1]	3,601,861
Change in capital assets net of amortization and exchange gain/loss	(40,651)
Total	$ 18,320,899
Total per Schedule of Expenditures by Business Segment	18,320,899
Variance	$ -

Notes:

[1] Employee wages, related expenses, and travel were recorded in the Schedule of Expenditures but not in the Schedule of Goods and Services.

[2] The payments reported in this section of the Financial Act include Grants and Contributions as follows:

Amounts greater than $25,000

Canadian Wood Council	$ 93,500
Coast Forest Products Association	55,000
University of British Columbia	650,000
Total	$ 798,500
Accounts under $25,000	55,523
Total Grants and Contributions	**$ 854,023**